

DD/S 58-4/5
25X1A9a

SECRET

Attachment to: [REDACTED]
21 January 1958

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NYB A /

Washington

Dear Leonard:

One of the problems on which I have wanted to reach a firm conclusion since my arrival in [REDACTED] has been the best way in 25X1A6a which to handle the Station representation allowance. Now that I have been here for three months, I feel able to state my views on this. Since you should be informed in case you have any different conclusions and since the system which I am about to propose includes a few minor changes from the past, I propose to give you a reasonably detailed statement.

In the first place, I feel very strongly that the representation allowance, although wholly within my control, as it should be, represents a Station fund for the accomplishment of Station purposes. Consequently, it is essential to determine in what way the fund is intended to support the Station. With respect to [REDACTED], there is 25X1A6a no question that a representation fund plays a pretty major role and must be so intended since the Related Mission Directive clearly recognizes that the major purposes sought can only be achieved through liaison. Obviously, therefore, representational support is basic. In the past, it was general practice to charge some entertainment to the representation fund and some to [REDACTED] Support, the latter on the theory that these charges were "operational" rather than "representational." Although I have nothing against this system, I have decided to simplify it and charge all entertainment against the representation fund. My reasons are that distinctions are pretty hard to make logically, that a simple system will give us better and clearer accounting, and that it is rather paradoxical to have "operational" charges in a non-operational station.

On the above theory and against the background of three months experience, I have concluded that the Station needs a \$12,000 representation fund to cover its requirements for a year. The following points are relevant in order to enable you to assess this estimate which, incidentally, is a genuine and not a negotiating figure:

1. In FY '57, the Station actually spent \$16,000 for 25X1A6a entertainment. This was charged \$10,000 against the representation fund and \$6,000 against [REDACTED] Support (i.e. Operational). Incidentally, expenditures in support of War Planning are not included in this figure.

2. The figure of \$12,000 was arrived at by including the following items:

a. Payment of servants - \$3,200. namely, the salary for one servant for [REDACTED] and myself. Of the total, \$800 each is allotted to [REDACTED] while 25X1A9a

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Approved For Release 2001/03/22 : CIA-RDP78-04718A002500020006-8

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